MARCH 28, 1983 THREE DOLLARS

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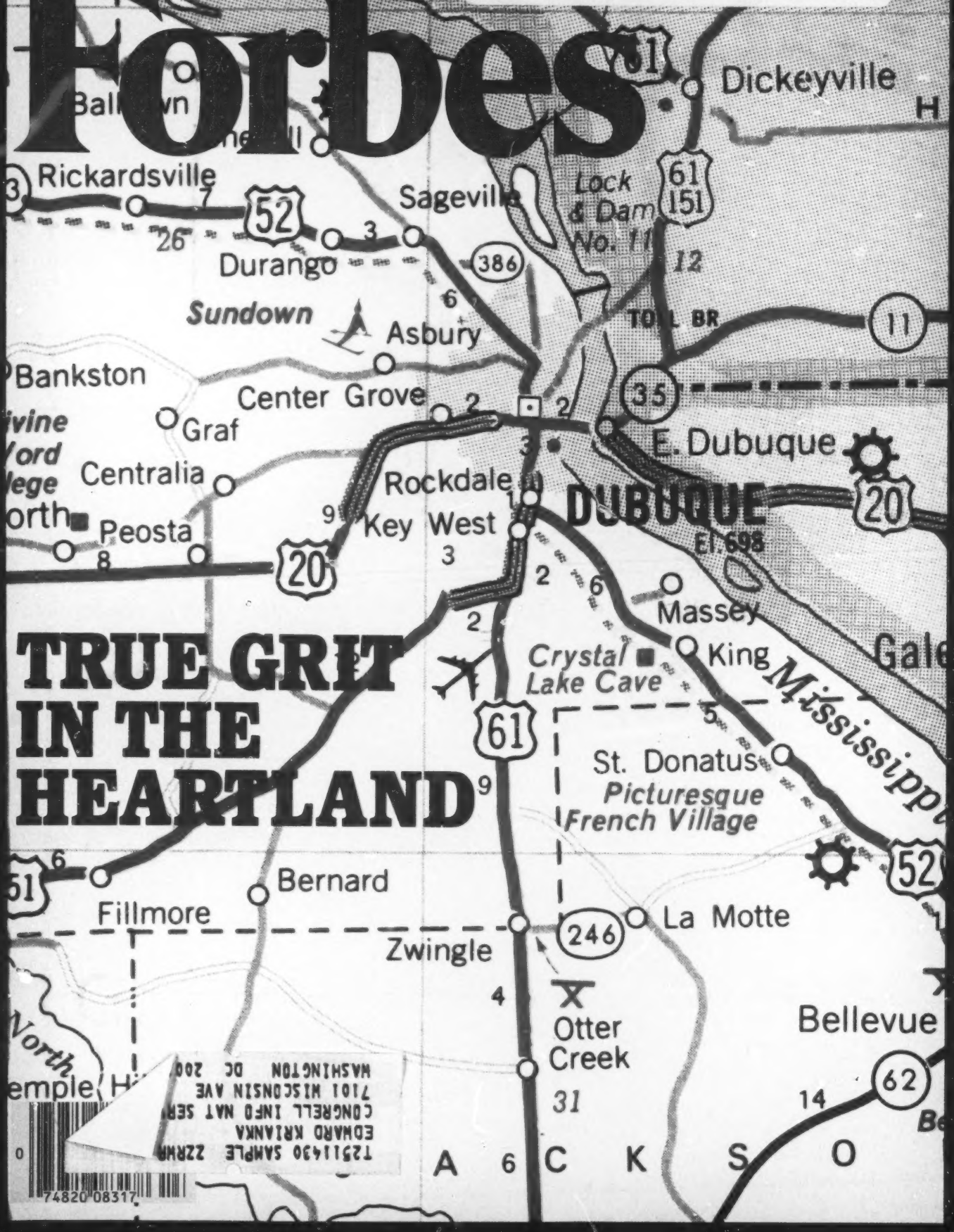
Forbes



TRUE GRIT IN THE HEARTLAND

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March 28, 1983
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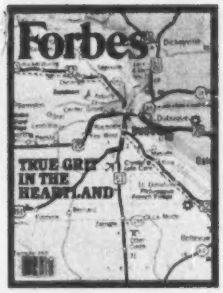

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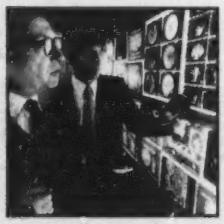

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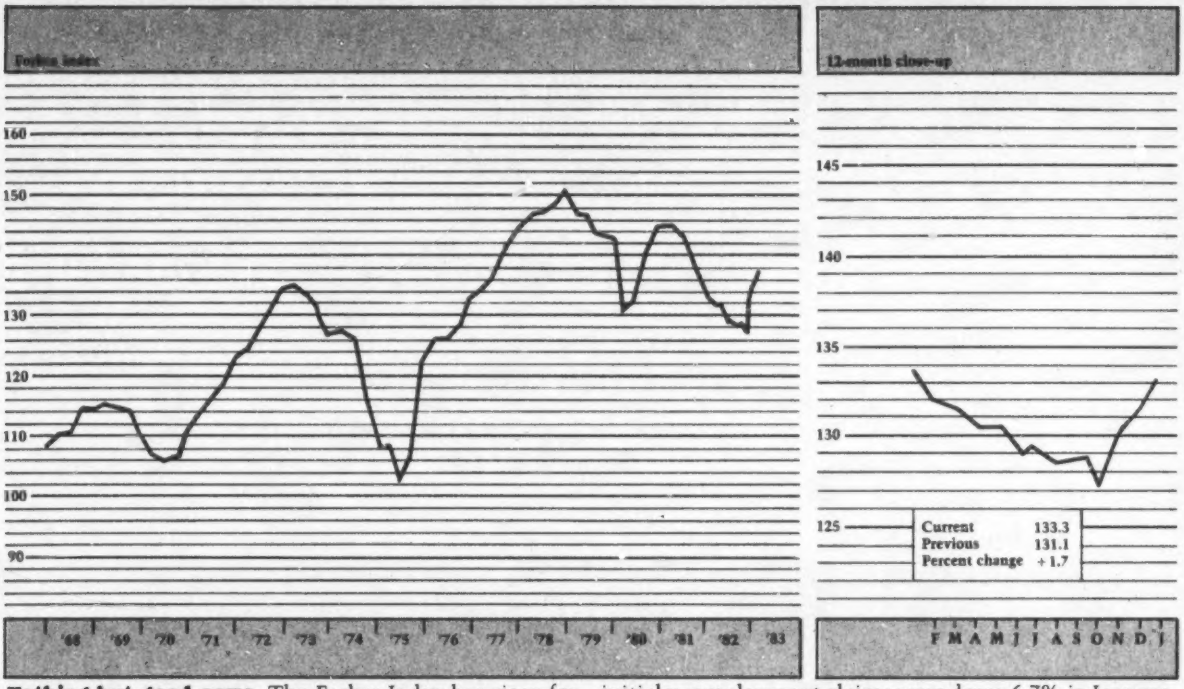
The Forbes Index



Nothing but good news. The Forbes Index has risen for the fifth consecutive time. All the elements necessary for a strong, sustainable recovery are falling into place.

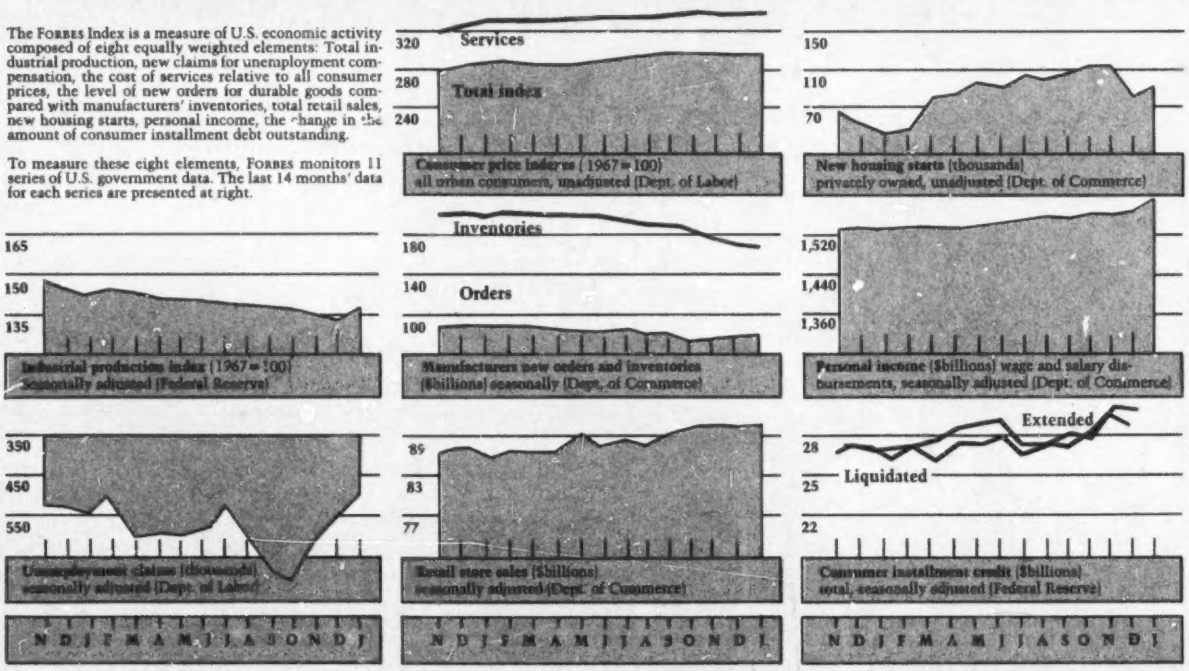
Inventories dropped by 1.7% during the latest reporting period, following a 1.3% dip a month earlier. Manufacturers' new orders jumped by 5.4%, as rising demand prompted buyers to restock bare shelves. Rising demand is also causing companies to rehire, a big reason initial unemployment claims were down 6.7% in January.

Although the economy is clearly heating up, inflationary fires are not being rekindled. The Consumer Price Index was up a scant 0.2%, while the increasingly important service sector index increased by just 0.7%. Those low figures indicate that consumers, whose personal income was up 1% in January, are beginning to spend but are not significantly bidding up prices.

The Forbes Index Components

The FORBES Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, the change in the amount of consumer installment debt outstanding.

To measure these eight elements, FORBES monitors 11 series of U.S. government data. The last 14 months' data for each series are presented at right.



Forbes

Why do the Russians pump $4 billion to $5 billion a year into Cuba's collapsing economy? Because they know it is their best buy when it comes to making trouble for the U.S.

Cheap at twice the price

By Jerry Flint

FOR LESS THAN the annual cost of supporting a single aircraft carrier task force, the Soviet Union has developed a wondrous weapon.

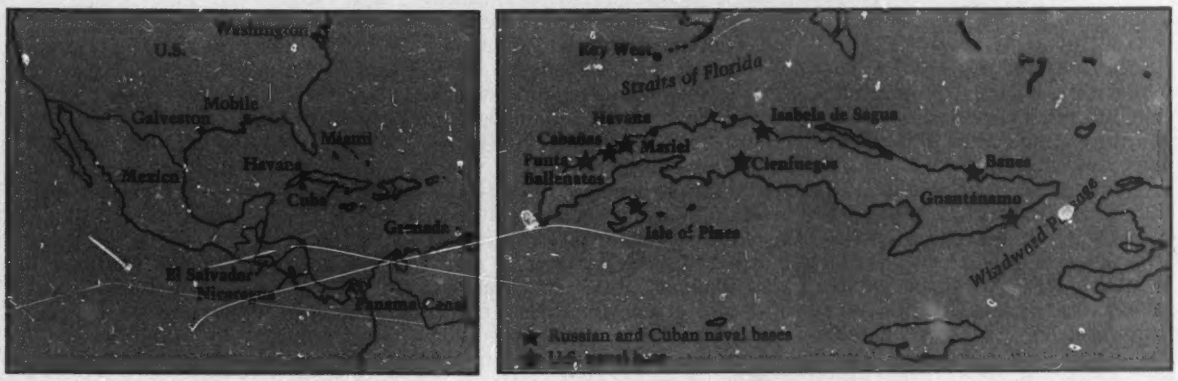
It works at long range, moving armies thousands of miles to win or hold nations for the Eastern bloc. It works at short range, nailing down Marxist (read pro-Russian) revolutions and unsettling nations along the periphery of the U.S.

And should World War III start, this weapon could have a small but important role in helping defeat the Western land armies in Europe. The weapon is Fidel Castro's Cuba, an unsinkable aircraft carrier that comes with a 200,000-man army. For comparison, Mexico, with seven times the population, has an army half the size and, of course, there's no comparison in equipment.

U.S. government agencies say that Russian arms deliveries to Cuba surged to 66,000 metric tons in 1981, up from 20,000 tons a year previously and the start of a five-year arms upgrading. Castro's military includes 200 jet fighters, assault helicopters, T-62 tanks and BMP infantry combat vehicles, antiaircraft SAM launchers, antitank guns, rocket launchers, two submarines and a couple of squadrons of missile-launching fast attack boats.

Why the Navy worries about Cuba

If the Russians strike in Western Europe, men and supplies from the U.S. will move from our Gulf ports. An attack by Cuba's small navy in the narrow straits leading to the Atlantic wouldn't stop but could delay the rescue force, warns Navy Secretary Lehman. Delay, of course, could mean disaster.



From Russia with love
By satellite and other means, the U.S. has been keeping tabs on what Cuba receives from its big ally. The intelligence agencies say the Russians are embarked on a five-year re-equipping of the Cuban military, with MiG fighters, missile boats and such.
66
Source: Defense Department

Those submarines and attack boats worry Navy Secretary John F. Lehman Jr., who sees them as a "threat in a war in Europe" because of Cuba's strategic position at the Atlantic approaches of the Gulf of Mexico. In the event of a Soviet invasion of Europe, the West's strategy is for allied armies to hold the line against overwhelming Soviet manpower and armor until men and supplies arrive from the U.S. and start the counterattack. Naturally, the reinforcements have to get there on time; too little or too late, and the West loses Europe.

Explains Lehman: "Eighty-five percent of the Army's combat logistics come out of the Gulf ports." As the cargo ships move out of Galveston and Mobile and other ports, they will have to pass through the narrow Straits of Florida, between Cuba and the U.S., or the Windward Passage, between Cuba and the island of Hispaniola (Haiti and the Dominican Republic), to reach the Atlantic. There the Cubans could throw in their submarines and missile boats. Certainly the Navy could fight through, but Lehman says the delay could last days and cost some of the supplies destined for the Western front.

Couldn't the Navy have enough ships on hand to convoy the reinforcements through? The Navy wants its force up north, trying to keep the Russian submarine fleet from getting into position to attack the sea bridge. "As it is, we're well overcommitted without worrying about Cuba," he says. "The first way we can fail is by being spread too thin."

Of course, raising the Cuban specter may be part of the Navy's effort to keep a budget-worried Congress from stripping away some of the big fleet expansion. But Fidel Castro's Cuba should never be underestimated. Fidel has sent 70,000 Cubans around the world at a cost estimated by the U.S. at $1 billion. There are 20,000 soldiers and 6,000 civilians holding Angola, 11,000 soldiers in Ethiopia, 2,000 military and 6,000 civilians putting the backbone into Nicaragua's Marxists. He is working to build up pro-Soviet dictatorships in Grenada, the little island near Venezuela, and in Surinam, the ex-Dutch colony at the top of South America, and he supports the Marxists in El Salvador.

Dictators, of course, don't have to worry much about public opinion. Castro can do all this while any American efforts to counter Castro are met by strong opposition in Congress or among left-leaning intellectuals. Fidel is paunchy now and no longer disguising the fact that he runs a Soviet puppet state. But the years have also given him experience. He has faced a missile crisis and possible nuclear war, been hit by and launched covert and open invasions. He knows how far he can push the U.S.

For services rendered, Castro gets huge subsidies from the Soviet Union—$4 billion to $5 billion this year and climbing, with a good chunk of that in hard currency items such as the oil the Russians delivered to Cuba at discount rates.

Without all that aid, Cuba would soon collapse. Fidel's economy is sinking fast. By choosing the U.S.S.R. over the U.S., Castro locked Cuba away from what will always be its natural trading partner. He then intensified Cuba's dependence on sugar and on the Soviet bloc, which now accounts for 80% of the island's trade. That is the trouble.

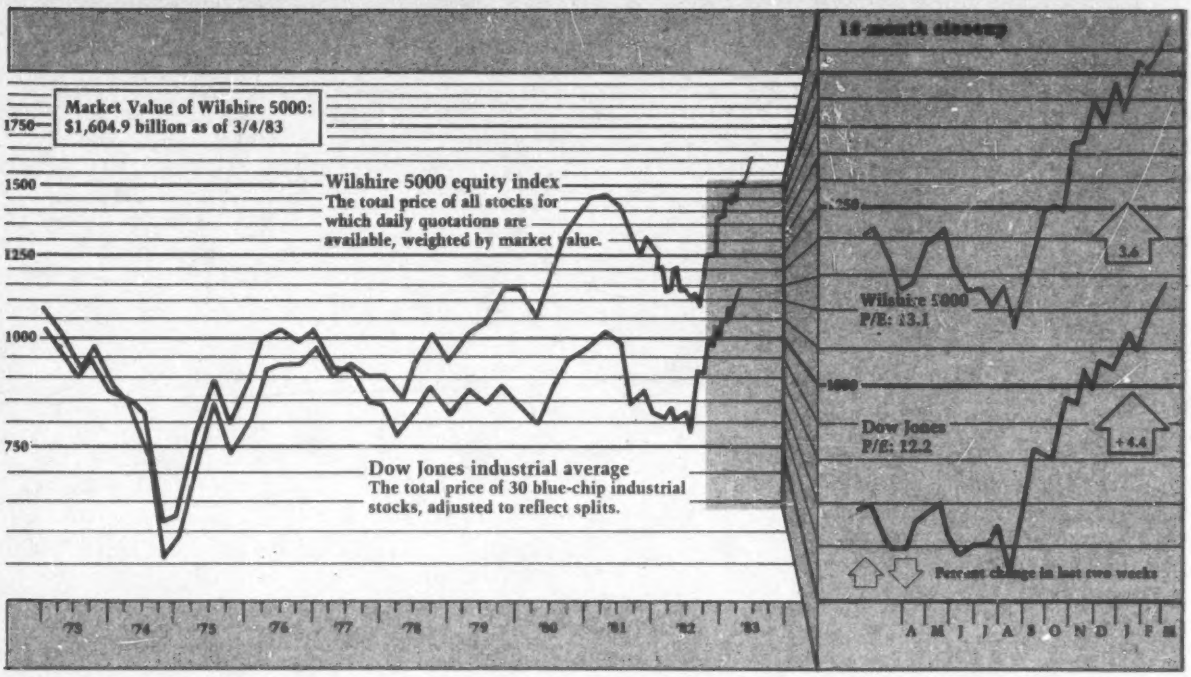
Production is up: 8.2 million metric tons of sugar in the 1981-82 crop year, compared with 6.7 million in 1979-80. But prices have collapsed: 29 cents a pound in 1980, 6 cents to 7 cents a pound last year and this, probably less than it costs Cuba to produce. Worse, Cuba is losing markets. The European Common Market countries took 800,000 tons of Cuban sugar before Castro. Now they not only take nothing, they export beet sugar themselves. In 1981 the EEC sold 4.5 million tons on the free market, hitting directly at the critical 20% of Cuba's trade that is done in hard currency.

The U.S. economic blockade is effective, too. A Cuban central bank report complains that U.S. pressures caused firms from six industrialized countries to suspend negotiations or cancel contracts for Cuban nickel. U.S. officials in Washington take credit for the failure of Cuba to rebuild a big-time tourist industry and for helping force the collapse of a Spanish firm that was building an electronics plant on the island.

But Fidel's worst problem may be socialism itself. As in the socialist motherland, there is no incentive to work or produce. The Cuban government says productivity is increasing. But a U.S. government Cuban expert says: "It's getting hard to sell that 'we're producing more and more, which is why we've got less and less.' " Rationed goods are cheap but allotments are low: 3 ounces of coffee a week, a quarter-pound of beans a week, 5 pounds of rice a month. Goods are available on a free market, but prices are high: $9 for a pound of coffee, $6 for a pound of beef, $14 for a T-shirt.

Looked at as "foreign aid," that $4 billion to $5 billion subsidy that keeps Fidel in power is a steep price for the Soviet Union. But looked at as military spending, Cuba is quite a bargain. ■

The Forbes/Wilshire 5000 Review



Uptown express. Although many of the experts were saying that a correction was overdue, the business news turned favorable, what with encouraging news on unemployment, new orders and production and a favorable interpretation of lower oil prices. Plus, the market continued its long rise, the Dow industrials rising a solid 4.4% in the last two weeks. Once again, the blue chip stocks rose more than the secondary issues: The Amex gained only 0.2%, the NASDAQ, 1.8%. The broadest index of all, the Wilshire, was up 3.6%. Optimists took cheer from the fact that the blue chip DJI still seemed in the vanguard—suggesting that the market advance has not yet entered a speculative phase. Weakness in energy and technology stocks held back the Amex and NASDAQ averages.

More difficult for the optimists, however, is this disconcerting fact: The average issue is now selling at a somewhat heady 13.1 times earnings. Only six months ago the P/E on the Wilshire was 9.2. So the market is approaching a P/E of 14—the same P/E as that of the lowest-ranked stock in Kidder, Peabody's Nifty Fifty stock list in September of 1982. The economic pickup now under way should narrow these P/Es, but it will have to be a powerful pickup indeed to justify further gains in stock prices.

Close-up On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[1]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	5.5	6.1	5.8	5.1	5.2	5.7
in last 52 weeks	41.9	39.8	41.3	40.4	53.5	52.9

Stock performance based on five key investor yardsticks

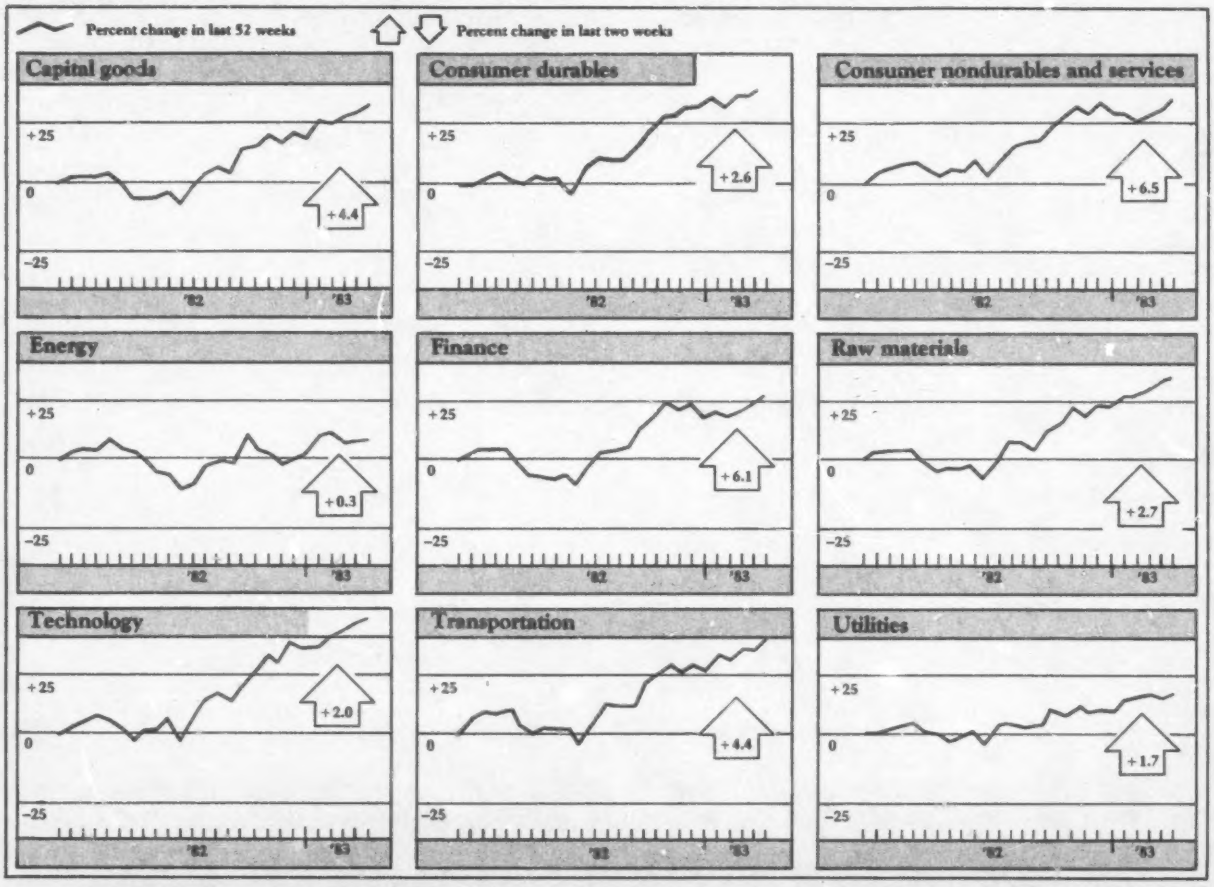
Percent change	Volatility[2]		P/E multiple		Dividend yield		Growth profile[3]		Share price	
	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	6.4	4.2	5.7	9.9	3.8	9.2	4.8	4.9	8.5	6.4
in last 52 weeks	95.8	42.2	73.0	111.4	35.9	104.5	109.5	46.6	58.5	82.0

[1]Based on sales.
[2]A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable.
[3]A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 3/4/83. Prepared by Wilshire Associates, Santa Monica, Calif.

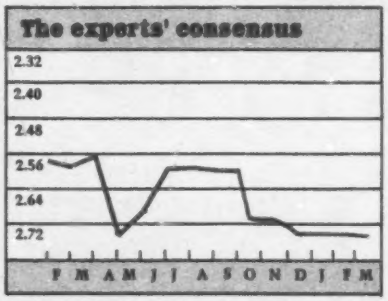
Where The Action Is

Almost everybody is a winner. Wall Street apparently decided lower fuel costs will put more money into consumers' pockets. Over the two weeks ended Mar. 4 the consumer nondurables sector gained 6.5%. Transportation companies, especially airlines, will also benefit from cheaper energy. The energy-sensitive transportation group pushed up 4.4%. Yet the market also seems to see a bottom in the price of a barrel of oil. Why? Because the finance sector, led by the banks, moved ahead 6.1% over the last two weeks despite the exposure of major banks to several debt-ridden oil exporters. Oils are another story. A drop in crude prices could help those who are net purchasers of crude, but the overall energy sector was limited to a modest gain of 0.3%.



What The Analysts Think

Inverse order. Over the last two weeks energy, utilities and technology were the poorest performing groups, in that order. On the other hand, the market seers obviously expect today's laggards to be tomorrow's stars. In the analysts' buy/sell opinions compiled by Wilshire Associates, these three sectors received top ranking.



Rank	Sector	Current opinion	Rank 2 weeks ago	Rank 4 weeks ago
1	Energy	2.67	1	1
2	Utilities	2.68	2	3
3	Technology	2.71	3	2
4	Capital goods	2.72	4	4
5	Transportation	2.73	6	6
6	Raw materials	2.77	5	5
7	Finance	2.80	7	7
8	Consumer nondurables	2.83	8	8
9	Consumer durables	2.75	9	9

Opinion ratings are ranked on a scale of 1 (strong buy) to 5 (strong sell). Data reflect the views of 200 institutional analysts. The consensus of opinion graph is the composite rating of 1,200 stocks, while the sector breakdowns correspond to industry groups graphed above. All figures are weighted for market capitalization.

Note: All data for periods ending 3/4/83. Prepared by Wilshire Associates, Santa Monica, Calif.

The Money Men

pay for it," Johnson admits ruefully.

So in the last year or two, First Albany's research has gotten more practical. Using his expertise in defense contracts and technologies, analyst Fred Kittler has been ferreting out small, relatively unknown companies involved in those technologies. Among his finds: UTL Corp. (sales, $16.7 million), a tiny prime contractor for electronic warfare systems; Tech-Sym (sales, $60 million), which stands to benefit from the Navy's new Vertical Launching System; and Sippican Ocean Systems (sales, $16 million), which specializes in underwater electronics. These and other small defense stocks have done very well indeed in the recent market rally.

The defense specialty has also brought First Albany an unexpected dividend: underwriting business. Growing companies need capital. In the last two years, First Albany has done a private placement for Networks Electronic, a California maker of high-performance bearings, and it has co-managed public offerings for both CSP Inc., which makes high-speed number-crunching devices, and for Raymond Engineering, a manufacturer of military fuses and tape recorders.

To McNamee's pleasure, First Albany's revenues have trebled since 1978—to about $21 million—and are still climbing. Not all its business is defense-oriented, not by any means. But the defense thrust has given First Albany the kind of distinct identity a firm needs to survive. "The trick in the research business is to differentiate yourself," says one top Wall Street money manager. "By looking at small companies that no one else is, First Albany has made its name." ■

Statistical Spotlight

There are a few negatives in the picture, but the overall outlook for electric utility stocks continues to be good.

More power to them

By Paul Bornstein

THE LAST TIME FORBES turned the spotlight on utility stocks was in May 1981. It was a propitious moment to be thinking well of power companies. Since then the stocks that constitute the Dow Jones utilities group have outperformed the Dow Jones industrials by a margin of almost 2 to 1, the utilities having advanced 20.9%, the industrials 11.6%.

Investors interested in income should take a fresh look because, even after the strong rise in stock prices, the yield on utility stocks remains relatively high. The following group of 100 electric utilities is yielding 10.1%, vs. 4.9% for the Dow industrials. More important, several factors in the utilities' favor suggest that better times lie ahead. Lower interest rates and lower inflation mean lower expenses and lower capital costs. A reviving economy will require more electricity.

Perhaps the major weakness of utilities is that the regulatory environment is becoming rougher. With the drop in interest rates and inflation, many state regulatory bodies are likely to reduce the allowable return on equity. Thus, two-thirds of the firms in our table now have a regulatory ranking of C or less. The prospect of lower returns has prompted some

Power plays

These 100 utilities, except GPU (which indirectly owns Three Mile Island), offer high yields but differ in debt ratings, construction requirements, sources of energy and the toughness of their regulators.

Company	Price	Dividend	Yield	—Latest 12 months— earnings	P/E	Regulatory rank	% internal cash generation 1983-85 est	Bond rating S&P's	% AFDC to earnings	% oil to total fuel 1983 est*
Allegheny Power	24½	$2.40	9.8%	$3.41	7.2	C–	80%	**	12%	0%
American Elec Power	18¼	2.26	12.4	2.03	9.0	C	43	**	48	0
Arizona Public Service	25	2.52	10.1	3.30	7.6	C+	30	A–	67	2
Atlantic City Electric	22⅝	2.28	10.1	1.84	12.3	C+	77	A+	26	23
Baltimore Gas & Elec	30¼	2.84	9.4	4.07	7.4	C	65	AA	26	5
Boston Edison	28⅛	2.88	10.2	3.18	8.8	C	50	BBB	26	58
Carolina Power & Light	22½	2.40	10.7	3.17	7.1	C+	51	A–	82	0
Central Hudson G&E	25¼	2.60	10.3	3.91	6.5	B–	38	A–	48	91
Central Ill Light	21⅝	2.06	9.5	2.80	7.7	B–	89	AA–	18	0
Central Ill Public Serv	14⅝	1.48	10.1	1.81	8.1	B–	100	AA	37	0

*Including firm purchased power. **Holding company.

Source: Salomon Brothers

Statistical Spotlight

managers of big portfolios to sell their utility stocks.

The accompanying table lists all the major public utilities in the U.S. Except for General Public Utilities, all pay a dividend from Missouri Public Service's 7.7% to Duquesne Light's 12.5%. Mark Luftig of Salomon Brothers, which supplied the data, feels that at least 85% of the companies will increase their dividends this year.

A well-run utility, according to an industry rule of thumb, should have reserve generating capacity of 20% over peak demand. With demand slow these days, the reserve capacity of these utilities averages an inefficient 40%. Moreover, many of them are either at or near completion of large construction programs. The good news in this is that over the next few years there should be less need to borrow money for construction.

Minnesota Power & Light, for example, should have an easy time meeting its capital needs. It's likely to generate $1.81 for every construction dollar it will have to spend through 1985. Thus MP&L should have little need for its investment bankers over the next few years. That's a plus for MP&L's dividend rate.

With most utilities facing reduced construction, the allowance for funds used during construction (AFDC) should also decline. AFDC has the effect of boosting the reported earnings of companies doing a lot of building. But it's a noncash item, a bookkeeping transaction, and it lowers earnings "quality." Our table shows AFDC as a percentage of latest 12-month earnings. There is a strong correlation between AFDC and S&P's debt ratings: The higher the AFDC, the lower the debt rating.

But keep in mind that a high ratio of AFDC to earnings can have its advantages. It usually means that a substantial part of a utility's dividend pay-

Power plays

Company	Price	Dividend	Yield	—Latest 12 months— earnings	P/E	Regulatory rank	% internal cash generation 1983-85 est	Bond rating S&P's	% AFDC to earnings	% oil to total fuel 1983 est*
Central Maine Power	15⅝	$1.88	12.0%	$2.02	7.7	C–	36%	BBB+	65%	30%
Central & South West	17¼	1.78	10.3	2.82	6.1	B–	50	**	37	0
Central Vt Public Serv	22	2.26	10.3	3.79	5.8	C+	38	BBB	42	12
Cincinnati Gas & Elec	17⅞	2.16	12.1	2.75	6.5	C	82	A	52	1
Cleveland Elec Illumin	20⅛	2.28	11.3	3.01	6.7	C	50	A	60	0
Commonwealth Edison	27¼	3.00	11.0	3.75	7.3	B–	50	BBB+	86	6
Commonwealth Energy	19	1.96	10.3	2.45	7.8	C+	110	**	53	74
Consolidated Edison	21	1.88	9.0	3.55	5.9	B–	92	AA	4	41
Consumers Power	20¾	2.44	11.8	3.16	6.6	D	40	BBB–	99	1
Dayton Power & Light	17⅛	2.00	11.7	2.65	6.5	C	86	BBB+	67	1
Delmarva Power & Light	16½	1.64	9.9	2.13	7.7	C+	133	AA–	10	16
Detroit Edison	14⅜	1.68	11.7	1.75	8.2	D	63	BBB	138	6
Duke Power	22¾	2.28	10.0	3.07	7.4	C+	87	A+	68	0
Duquesne Light	16	2.00	12.5	1.96	8.2	C–	37	BBB+	52	2
Eastern Utilities	14⅜	1.70	11.6	2.25	6.5	C+	43	**	95	57
El Paso Electric	13⅜	1.34	10.0	2.30	5.8	B	11	A	111	2
Empire District Elec	14½	1.52	10.5	2.11	6.9	E+	65	A	1	1
Florida Power & Light	38	3.36	8.8	4.77	8.0	B	50	A+	40	40
Florida Progress Corp	18⅞	1.92	10.2	2.20	8.6	B	89	A+	51	28
General Public Util	7¾	0.0	0.0	0.55	14.1	C	82	**	47	2
Gulf States Utilities	13½	1.56	11.6	1.95	6.9	C+	25	BBB	74	1
Hawaiian Electric	32¾	3.00	9.2	2.35	13.9	B–	109	A+	3	100
Houston Industries	19¾	2.16	10.9	3.77	5.2	B+	43	**	28	1
Idaho Power	30½	2.88	9.4	4.71	6.5	C–	62	A	11	0
Illinois Power	23⅜	2.48	10.6	3.04	7.7	B–	67	AA–	54	1
Indianapolis P&L	27½	2.76	10.0	3.41	8.1	B+	42	AA	41	1
Interstate Power	16½	1.74	10.6	2.46	6.7	C–	95	A+	2	0
Iowa Electric L&P	16¾	1.78	10.6	2.19	7.6	C–	63	A	23	0
Iowa-Illinois G&E	23⅞	2.48	10.4	3.95	6.0	C	119	AA	62	0
Iowa Public Service	23⅛	2.48	10.7	2.97	7.8	C–	100	AA	25	1
Iowa Resources	27¼	2.92	10.7	3.66	7.4	C–	135	**	52	1
Iowa Southern Util	31⅜	3.00	9.6	5.25	6.0	C–	102	AA	3	1
Kansas City P&L	28⅜	3.16	11.0	4.18	6.8	D	35	BBB	111	1
Kansas Gas & Electric	20¼	2.24	11.1	3.00	6.8	C	33	BBB	122	0
Kansas Power & Light	25⅜	2.56	9.7	3.60	7.3	C	65	AA	44	1
Kentucky Utilities	21⅜	2.28	10.7	2.78	7.7	C+	75	A+	0	0
Long Island Lighting	16½	2.02	12.2	2.70	6.1	B–	63	BBB	111	68
Louisville G&E	21⅝	2.30	10.6	2.21	9.8	C+	55	AA	0	0
Madison Gas & Electric	19½	1.92	9.9	2.05	9.5	B	104	AA	0	0
Middle South Utilities	15⅞	1.70	10.7	2.29	6.9	C–	50	**	106	5

*Including firm purchased power. **Holding company.

Source: Salomon Brothers

Statistical Spotlight

ment—in some cases all of it—is a return of capital and is thus tax-deferred. Take Public Service of New Hampshire. Its ratio is 1.28, and the company has a low BB+ S&P's bond rating. The dividend of $2.12 is tax-deferred. Thus an investor in the 50% tax bracket receives an equivalent yield of 23%.

Consumers are likely to benefit from reduced oil prices as fuel-price adjustments moderate. But so will utilities like Central Hudson Gas & Electric, Hawaiian Electric and United Illuminating, which are more heavily dependent on oil than most other companies.

All things considered, Salomon Brothers' Luftig believes that dividends can rise 5½% to 6% per year. Not bad, if inflation stays low. ■

Power plays

Company	Price	Dividend	Yield	—Latest 12 months— earnings	P/E	Regulatory rank	% internal cash generation 1983-85 est	Bond rating S&P's	% AFDC to earnings	% oil to total fuel 1983 est*
Minnesota P&L	23⅞	$2.40	10.1%	$3.51	6.8	C+	181%	A+	2%	0%
Missouri Public Service	14½	1.12	7.7	2.10	6.9	E	71	**	31	0
Montana-Dakota Utilities	26¾	2.24	8.5	4.07	6.5	C–	54	A	11	1
Montana Power	26¼	2.68	10.2	3.97	6.6	D	69	A	36	0
Nevada Power	27¼	2.64	9.7	3.67	7.4	C+	40	BBB	24	0
New England Electric Sys	35⅝	3.20	9.0	4.65	7.7	C+	71	**	41	20
New York State E&G	21½	2.20	10.2	3.36	6.4	B–	25	BBB+	37	0
Niagara Mohawk Power	16	1.80	11.3	2.64	6.1	B–	36	A–	38	19
Northeast Utilities	12⅝	1.38	10.9	1.79	7.1	C+	23	**	60	38
Northern Ind Pub Serv	13	1.50	11.5	0.90	14.4	B+	30	A	67	1
Northern States Power	31¾	2.74	8.6	4.79	6.6	C+	95	AA	13	0
Northwestern Pub Serv	19¾	2.00	10.2	2.07	9.5	D	150	**	5	0
Ohio Edison	15⅝	1.80	11.5	1.89	8.3	C	26	BBB–	89	0
Oklahoma Gas & Elec	18¾	1.84	9.8	2.57	7.3	C	79	AA	18	0
Orange & Rockland Util	19¾	1.80	9.1	2.59	7.6	B–	88	A+	8	64
Otter Tail Power	22⅞	2.40	10.5	2.92	7.8	C	94	A	6	0
Pacific Gas & Electric	30¾	3.00	9.8	4.91	6.3	B–	91	A	54	4
Pacific Power & Light	21⅛	2.16	10.2	3.03	7.0	C+	63	BBB	32	0
Pennsylvania P&L	23⅜	2.40	10.2	3.35	7.1	C–	79	BBB	113	10
Philadelphia Electric	17⅛	2.12	12.4	2.39	7.2	C–	50	BBB–	76	8
Portland General Elec	15⅞	1.74	11.0	3.02	5.3	C+	68	BBB–	50	2
Potomac Elec Power	18¼	1.78	9.8	2.27	8.0	C–	80	AA–	10	15
Public Serv of Colo	17⅜	1.76	10.1	2.17	8.0	C	80	A	14	0
Public Serv E&G	23½	2.56	10.9	3.24	7.3	C+	50	AA–	34	10
Public Serv of Indiana	25¼	2.76	10.9	4.55	5.5	B+	4	BBB+	91	0
Public Serv of NH	18½	2.12	11.5	2.73	6.8	C	29	BB+	128	50
Public Serv of NM	27	2.80	10.4	3.22	8.4	C+	41	A	53	0
Puget Sound P&L	15¾	1.76	11.2	2.29	6.9	C+	22	BBB	82	1
Rochester Gas & Elec	17½	1.84	10.5	2.81	6.2	B–	40	A–	42	15
San Diego G&E	18¾	1.82	9.7	2.90	6.5	B–	54	BBB	52	32
Savannah E&P	13⅛	1.28	9.8	1.40	9.4	D	64	BBB–	71	4
Sierra Pacific Power	13⅝	1.46	10.7	1.81	7.5	C+	39	BBB	15	0
South Carolina E&G	20	2.00	10.0	2.32	8.6	B–	119	A–	68	0
Southern Cal Edison	36⅞	3.52	9.6	5.13	7.2	C–	40	AA	59	1
Southern Company	16	1.70	10.6	2.26	7.1	D	55	**	34	0
Southern Indiana G&E	26¼	2.28	8.7	3.42	7.7	B+	50	AA	10	0
Southwestern Pub Serv	16⅜	1.62	9.9	2.27	7.2	B	55	AA	43	0
Teco Energy	21¼	1.88	8.6	2.49	8.5	B	43	**	33	19
Texas-New Mexico Power	22⅝	2.26	10.0	3.61	6.3	B+	63	**	9	***
Texas Utilities	23	2.20	9.6	3.85	6.0	B+	60	**	30	1
Toledo Edison	21⅜	2.44	11.4	3.18	6.7	C	39	BBB+	84	0
Tucson Electric Power	26½	2.20	8.3	3.01	8.8	C+	47	A+	18	0
Union Electric	15	1.64	10.9	2.17	6.9	E	13	BBB–	121	1
United Illuminating	28	3.08	11.0	5.39	5.2	C+	41	BB+	76	92
Utah Power & Light	22⅝	2.28	10.1	2.45	9.2	B	66	A	41	1
Virginia Elec & Power	14⅞	1.60	10.8	1.90	7.8	C	48	A	40	6
Washington Water Power	21½	2.48	11.5	3.17	6.8	C	28	BBB+	46	5
Wisconsin Elec Power	23¼	1.94	8.3	3.60	6.5	B	92	AA	6	1
Wisconsin P&L	24⅜	2.32	9.5	3.51	6.9	B	82	AA	6	0
Wisconsin Public Serv	24½	2.12	8.7	3.14	7.8	B	127	AA	9	0

*Including firm purchased power. **Holding company. ***Principally purchased power. *Source: Salomon Brothers*

NOTE

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